

February 28, 2007

To the Honorable Senate and House of Representatives:

I am filing for your consideration the attached legislative proposal, entitled, "An Act Improving the Fairness of the Tax Laws."

This legislation will provide property tax relief to citizens across the Commonwealth by enacting a Homeowner Circuit Breaker, which will expand the present Senior Circuit Breaker income-tax credit to homeowners of all ages. Effective January 1, 2008, an estimated 100,000 families and individuals will qualify for this credit, in a projected amount of up to \$920 per year, which constitutes a nearly 25 percent offset to the average state-wide property tax bill of \$3,800.

The bill will also close several tax loopholes that create an uneven playing field for business and cost hundreds of millions of dollars of lost revenue. Closing these loopholes will not hurt our competitiveness or place an onerous tax burden on business. A number of states with whom Massachusetts competes for business already have similar laws in place. In addition, none of these reforms targets tax benefits that the Legislature intended. On the contrary, these reforms are a first step toward achieving equity and fairness in a tax system known to be cumbersome and unfair.

Finally, this legislation will create a commission to recommend longer-term changes to modernize and simplify our current tax laws, so as to promote tax fairness and equity, encourage business growth and innovation, and strengthen the Commonwealth's global competitiveness.

I urge your prompt and favorable consideration of this bill to begin improving the fairness of our system of taxation.

Respectfully submitted,
Deval Patrick